

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT CHATTANOOGA

ELITE PHYSICIAN SERVICES, LLC,)	
)	
Plaintiff,)	No. 1:06-CV-86
)	
v.)	<i>Mattice/Carter</i>
)	
CITICORP CREDIT SERVICES, INC. (USA),)	
)	
Defendant.)	

DEFENDANT'S REPLY IN SUPPORT OF
ITS MOTION TO DISMISS OR TRANSFER

Defendant's Collective Exhibit C

The public records that comprise Exhibit D can be found at the following websites:

<http://www.sunbiz.org/corpweb/inquiry/search.html>

<http://www.occ.treas.gov/interp/sep06/cd06-08.pdf>

www.occ.treas.gov/interp/sep06/intsep06.htm

www.microsoft.com/presspass/press/2003/jan03/01-13CitibankRMSPR.msp

www.microsoft.com/presspass/press/2003/jul03/07-28rms12releasepr.msp

http://69.80.208.235/bmiusacom/pdf/ms_rms_integrated_card_processing.pdf

http://www.smithbarney.com/products_services/private_business_services/businessfma/bus_admin.html?33d

<http://www.citibank.com/us/cards/merchant/>



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Microsoft Business Solutions Joins Forces With Citibank Merchant Services To Offer Enhanced Retail Management System

Enhanced Point-of-Sale Technology Offers Considerable Discount on Merchant Services, Broad Capabilities, Ease of Use and Low Total Cost of Ownership

NEW YORK, Jan. 13, 2003 — Building on their strong relationship, Microsoft Corp. and Citibank Merchant Services today announced an extension of their collaboration to offer Microsoft® Business Solutions' customers -- specifically small and midmarket retailers -- technology and services designed for the independent merchant. The agreement, announced at the National Retail Federation (NRF) 92nd Annual Conference & Expo, enhances Microsoft Retail Management System (RMS) by introducing a new payment processing module.

For small to midmarket Microsoft RMS customers -- businesses with between one and 25 stores -- the agreement between the two companies offers substantial savings on merchant services costs. In addition to the savings on store operations and return on investment the Microsoft RMS technology currently offers, the agreement provides competitive pricing for credit card transactions and eliminates fees for applications, setup and monthly statements. Making it easier for clerks to process transactions quickly and with fewer errors, the agreement also eliminates the need for merchant credit card payment terminals, which are used to handle purchases made with credit and debit cards and which are generally incompatible with cash registers.

"Retail has always been a tough business," said Brendan O'Meara, product unit manager for Retail Management Systems at Microsoft Business Solutions. "It's tougher today than ever before, so we've designed, developed and enhanced Microsoft RMS to help the independent merchant establish and sustain a competitive advantage. The value that Citibank Merchant Services brings to the technology is part of our ability to help small and midmarket retailers realize that advantage."

Julie Pukas, business manager with Citibank Merchant Services, said the agreement announced today is a natural outgrowth of the relationship the two companies already enjoy. "Offering the independent merchant a powerful point-of-sale technology combined with merchant services from an industry leader makes Microsoft RMS an even stronger and more strategic investment for the small and midmarket retailer," she said. "Combining the experience and expertise of Microsoft Business Solutions with Citibank Merchant Services enhances an independent merchant's ability to more effectively and profitably manage their business."

Microsoft Retail Management System: Empowering the Independent Merchant

Designed to empower the independent merchant with increased control over both time and money, Microsoft RMS delivers the ability to more effectively manage the key business processes of a small retail business by tightly integrating the point of sale, inventory, pricing, purchasing, customer service and accounting processes. It also offers integrated online payment processing services. Microsoft RMS is easy to learn and use by employees and does not require an expensive IT staff, consulting or maintenance systems, which results in a fast return on investment for the merchant.

The technology's ease of use and cost factors make it a preferred solution for independent merchants. Microsoft RMS supports most common retail transaction types. It is easily installed and configured and includes basic retail functions, processes and most common retail reports. It is also easy to upgrade and expand as a business grows.

Using Microsoft RMS, retailers realize a return on investment in several ways. The costs of carrying excess inventory are reduced, leading to an increase in gross margins with more cost-effective purchasing. Microsoft RMS increases operating efficiencies by reducing credit card processing costs, pricing errors, theft and shrinkage, labor costs, and the costs of accounting and sales tracking. Microsoft RMS also provides retailers with powerful means for delivering superior customer service and increasing sales, by reducing the risk of out-of-stocks and providing automatic pricing models and more-effective marketing promotions.

"Microsoft Retail Management System has significantly improved the way we manage our business and, most important, the way we interact with our customers," said Dean Del Prete, president of Cousins Paintball in Deer Park, N.Y. Cousins Paintball is a retail store that sells paintball-related products and provides equipment and indoor and outdoor playing field rentals. The company was looking for a product that would grow with the business and meet the unique retail needs of rentals and sales of noninventoried and inventoried products. Cousins Paintball has implemented Microsoft Retail Management products in five of its eight locations in the New York area. "It's easy to implement and easy to learn and use, which allows our employees to focus their undivided attention on delivering the kind of service that keeps our customers coming back for more. It also provides us with a quick status of our inventory that helps us solve out-of-stock and overstock problems before they even arise."

Availability and Pricing

Independent merchants interested in taking advantage of the payment processing module must purchase or upgrade to version 1.1 of Microsoft RMS, which will be available in the United States Feb. 21, 2003, through an authorized Microsoft RMS reseller. Pricing begins at \$1,290 for a one- to three-user version.

About Citibank Merchant Services

Citibank Merchant Services is the U.S. merchant card-processing division for Citigroup. Citibank Merchant Services provides a comprehensive set of credit card processing solutions for all types of businesses including traditional retailers, B2B companies, utilities and e-commerce companies. The business manages a suite of card-processing services ranging from point-of-sale terminals to PC-based virtual solutions and supports all major card brands including MasterCard®, Visa®, Diners Club® /Carte Blanche®, American Express®, Discover® and JCB®. In addition, Citibank Merchant Services supports both offline and online debit cards, and purchasing cards. Citicorp Payment Services Inc., a subsidiary of Citibank N.A., is the provider of Citibank Merchant Services. <http://www.merchantservices.citibank.com/>.

About Citigroup Inc.

Citigroup (NYSE "C"), the preeminent global financial services company with some 200 million customer accounts in more than 100 countries, provides consumers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, insurance, securities brokerage, and asset management. Major brand names under Citigroup's trademark red umbrella include Citibank, CitiFinancial, Primerica, Salomon Smith Barney, Banamex, and Travelers Life and Annuity. Additional information may be found at <http://www.citigroup.com/>.

About Microsoft Business Solutions

Microsoft Business Solutions offers a wide range of business applications designed to help small and midmarket businesses become more connected with customers, employees, partners and suppliers. Microsoft Business Solutions' applications automate

end-to-end business processes across financials, distribution, project accounting, electronic commerce, human resources and payroll, manufacturing, supply chain management, business intelligence, sales and marketing management, and customer service and support. More information about Microsoft Business Solutions can be found at <http://www.microsoft.com/businesssolutions/>.

About Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and Internet technologies for personal and business computing. The company offers a wide range of products and services designed to empower people through great software -- any time, any place and on any device.

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Microsoft Business Solutions Upgrades Retail Management Product, Offers Even More Value for SMB Retailers

REDMOND, Wash., July 28, 2003 — Microsoft Business Solutions today announced enhancements to its retail solution, developed specifically for small and midmarket independent retailers. The 1.2 release of Microsoft® Business Solutions Retail Management System (Microsoft RMS) offers new and enhanced functionality that will facilitate a retailer's ability to more strategically manage, control and plan the growth of a single- or multistore retail operation.

Specific benefits that retailers will realize with Microsoft RMS 1.2 include improved customer service with new payment processing and service features; the ability to simplify processes and help safeguard business information and transactions; deeper integration with financial applications; and flexibility to customize the solution for maximum efficiency. As a result of Microsoft Business Solutions and Citibank Merchant Services building on their already strong relationship, Microsoft RMS 1.2 will support integrated debit card transaction processing.

"Microsoft RMS 1.2 will pave the way for independent retailers to transform their retail operations in ways that work best for them, on their own timeline and at an affordable cost," said Brendan O'Meara, product unit manager with Microsoft Business Solutions Retail Management Systems. "Tighter integration with business applications, debit card payment processing, enhanced features and strong working relationships with our industry-leading partners will open up a whole new world of possibilities and opportunities for our customers that will help them retain their edge in an increasingly competitive marketplace."

Retailers will be able to connect information across their businesses by integrating with other business applications, a key enhancement of Microsoft Business Solutions RMS 1.2.

Pricing and Availability

Microsoft RMS is available in the United States through an authorized Microsoft RMS reseller partner. Pricing begins at \$1,290 for a single-lane license.*

About Microsoft Business Solutions

Microsoft Business Solutions, a business group of Microsoft, offers a wide range of integrated, end-to-end business applications and services designed to help small, midmarket and corporate businesses become more connected with customers, employees, partners and suppliers. Microsoft Business Solutions' applications optimize strategic business processes across financial management, analytics, human resources management, project management, customer relationship management, field service management, supply chain management, e-commerce, manufacturing and retail management. The applications are designed to provide insight to help customers achieve business success. More information about Microsoft Business Solutions can be found at <http://www.microsoft.com/businesssolutions/>.

Related Links

Microsoft Resource

- [Microsoft Business Solutions Newsroom on PressPass](#)
- [Microsoft Business Solutions Website](#)

About Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and Internet technologies for personal and business computing. The company offers a wide range of products and services designed to empower people through great software -- any time, any place and on any device.

* Estimated resale price; reseller prices may vary.

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Microsoft® Business Solutions Retail Management System

**Microsoft®
Business
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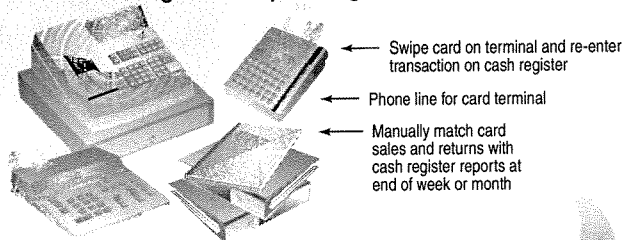


Streamline Point-of-Sale Processes and Integrate Card Transactions

A complete point-of-sale solution designed for independent merchants, Microsoft® Business Solutions Retail Management System (RMS) also offers comprehensive card processing through a relationship with Citibank Merchant Services. This special offer includes competitive rates on merchant services, eliminates the need for card payment terminals, and helps enable fast, secure processing that increases customer satisfaction.

Before

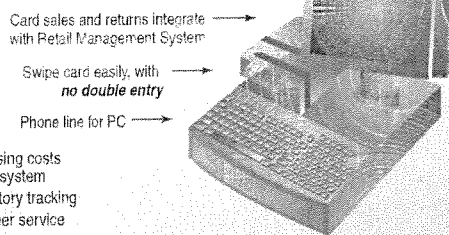
Cash Register + Paper Ledgers + Extra Hardware



- Manual inventory tracking
- Manual customer management
- Limited reporting
- Data re-entry required
- Extra hardware costs

After

PC with Retail Management System



- Reduced processing costs help pay for new system
- Automated inventory tracking
- Improved customer service
- Flexible reporting
- Integrates with accounting

The Citibank Merchant Services solution accepts most cards carried by your customers, including:

- MasterCard
- Visa
- Diners Club/ Carte Blanche
- American Express
- Discover Card
- Corporate purchasing cards
- PIN debit cards

Competitive rates on merchant services

Available only through Microsoft RMS, this card payment solution is designed to provide small, independent merchants with significantly lower card processing costs. Simply compare rates and fees with what you're currently paying to see how much you'll save with Citibank Merchant Services.

No hidden fees

Microsoft and Citibank Merchant Services have designed a program that is simple and contains no hidden costs. When you sign up for this service with Citibank Merchant Services, there are no fees for application, conversion, enrollment, setup, or cancellation. All that is required is credit approval.

Streamlined operations

By integrating credit and debit card transaction processing into business operations, you'll help reduce data re-entry at the point of sale and facilitate easier reporting and reconciliation of transactions at the end of the month.

Reduced operating and labor costs

Eliminate the need for separate point-of-sale terminals (i.e., card payment terminals) and associated phone lines: the Citibank Merchant Services solution helps to simplify associates' jobs and reduce operating costs, while freeing up valuable counter space in your store.

Increased customer satisfaction

Fast and reliable, the Citibank Merchant Services solution helps you process transactions for a wide range of cards. You'll be able to offer customers the efficient, consistent

Microsoft Business Solutions Retail Management System

Microsoft
Business
Solutions



Simplified, Integrated Card Processing

Available only through Microsoft RMS, this card payment solution is designed to provide small, independent merchants with significantly lower card processing costs. Simply compare rates and fees with what you're currently paying to see how much you'll save with Citibank Merchant Services.

Service Fees	Pricing
Visa/MasterCard Retail Swipe	1.69% + \$.23 per transaction
Visa/MasterCard MOTO/Internet	2.25% + \$.23 per transaction
Visa/MasterCard Commercial	2.55% + \$.23 per transaction
Diners Club/Carte Blanche Discount Rate	2.85%
*PIN debit per item fee	\$0.20
Setup Fees	Pricing
Application Fee	WAIVED
Enrollment Fee	WAIVED
Conversion Fees	WAIVED
Other Setup Fees	WAIVED

Rates are also available for American Express. Additional fees may apply per your service agreement. Subject to credit approval.

*Available for NYCE®, STAR® and Interlink® nationwide debit networks.

Microsoft Retail Management System Designed for independent merchants—like you.

For more information on Microsoft RMS:

Visit our Web site at www.microsoft.com/BusinessSolutions/POS

Phone: US and Canada call 1-800-246-5420

E-Mail: mgpinfo@microsoft.com

Or contact your Microsoft Business Solutions Partner.

For more information on Citibank Merchant Services, visit: www.merchantservices.citibank.com or call 1-877-284-0310

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Business Financial Management Accountsm

Simplify Business Administration

Knowing when and where to outsource certain business functions is an important part of your job. It makes sense for you to focus on the more strategic priorities, while others you trust handle the rest.

◆ Citi Merchant Services

As a Business FMA[®] client, we offer your business enhanced credit and debit card processing power at competitive rates, and you can enjoy the acceptance of all major credit cards (offered through Citicorp Payment Services, Inc.).

◆ Payroll Services through ADP

Save time and staffing resources by outsourcing a number of operational responsibilities to experts in payroll processing, tax filing and human resources data management. Enjoy preferential pricing as a new Business FMA client.

◆ Direct Deposit

Arrange to have funds deposited directly into your Business FMA account.

◆ Direct Payment

For added convenience, direct payments can be established for regular payments such as mortgages, leases, utilities and insurance. All direct payments are reported on your monthly statements and online.

◆ Electronic Federal Tax Payment Service (EFTPS)

EFTPS is quickly becoming the most secure way for businesses to make federal tax payments. Funds are automatically transferred electronically from your account on their due date.

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Citi Merchant Services Provided by First Data Merchant Services Corporation

Cost effective, customized credit card processing for your business



Citicorp Payment Services Inc. and First Data Merchant Services Corporation (FDMS) entered into an alliance in late 2005. As a result, we are now able to offer enhanced product and service offerings as well as customized solutions created specifically for your business.

Learn more about CitiBusiness
[Credit Cards.](#)

FDMS is a leader in electronic commerce and payment services, delivering a full range of payment solutions to approximately 3.5 million merchant locations.

If you would like more information on credit and debit card processing through Citi Merchant Services provided by First Data Merchant Services Corporation, please call 1-800-319-3224.